

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

2003 JUL 22 P 3: 23

UNITED STATES OF AMERICA

v.

TERRY A. ROBBINS

CASE NO. 2:03-cr-00175

Judge Graham

18 U.S.C. § 1341

18 U.S.C. § 1344

18 U.S.C. § 1957

18 U.S.C. § 982

JUDGE

**INFORMATION**

The United States Attorney charges:

**COUNT 1**

A. Beginning during the month of October 2003, and continuing up to and including the date of this Bill of Information, the exact dates being unknown, in the Southern District of Ohio and elsewhere, the Defendant, TERRY A. ROBBINS, of Waverly, Ohio, knowingly and willfully devised and intended to devise a scheme and artifice to defraud Huntington National Bank (hereinafter "Huntington"), the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain monies funds and credits owned by and under the custody and control of Huntington, by means of false and fraudulent pretenses, representations, and promises made to the said institution, the defendant knowing at the time that the pretenses and representations were false and fraudulent when made, and which scheme and artifice was, in substance, as follows:

B. Starting around October 2003, and through the duration of this scheme to defraud, Defendant TERRY A. ROBBINS was the president of NKR, Inc., doing business as Ohio Valley Lumber (hereinafter "OVL"), a corporation incorporated in the State of Delaware, and registered to do business in Ohio, and located in Piketon, Ohio. Natalie K. Robbins, not named as a defendant herein, the spouse of Defendant TERRY A. ROBBINS, was the purported owner of NKR, Inc. OVL bought and sold timber byproducts in the State of Ohio and regionally.

C. During the month of October 2003, and through the duration of this scheme to defraud, Defendant TERRY A. ROBBINS, was president of Chip and Bark, a corporation incorporated in the State of Ohio and located Piketon, Ohio. Natalie K. Robbins, the spouse of Defendant TERRY A. ROBBINS, was the purported owner of Chip and Bark, Inc. Chip and Bark bought and sold timber and timber byproducts in the State of Ohio and regionally.

D. During the month of October 2003, and through the duration of this scheme to defraud, Defendant TERRY A. ROBBINS was the president of Chipco, a corporation incorporated in the State of Virginia, with business operations in Piketon, Ohio and Bumpass, Virginia. Natalie K. Robbins, the spouse of Defendant TERRY A. ROBBINS, was the purported owner of Chipco, which bought and sold timber and timber byproducts.

E. During the month of October 2003, and through the duration of this scheme to defraud, Defendant TERRY A. ROBBINS, as president of OVL, purchased and caused the purchase of timber from a variety of vendors in the State of Ohio and regionally. The said timber, bought in log quantities, would be processed into lumber, the resulting lumber inventory would vary in quality. The resulting lumber would be identified (tagged) on the lumber itself and on the inventory records based on its quality, for ultimate sale by OVL.

F. On or about March 2003, Defendant TERRY A. ROBBINS, as president of OVL, established a \$5,000,000.00 line of credit with Huntington National Bank. The line of credit was established to provide operating funds for OVL to facilitate the day-to-day operations of the lumber business. The loans generated through the line of credit were collateralized by existing inventory, inventory which had been purchased but not yet received (the timber contracts), and ongoing accounts receivable. The terms of the line of credit (the loan covenants) limited the amount that OVL could borrow based on the value of the collateral. In order to maintain the line of credit, OVL was required to submit monthly collateral reports which verified the existence of the inventory on hand at OVL, the different quality composition of such

inventory, the value of the timber contracts, and the value of the accounts receivables due and owing to OVL.

(1) It was part of the scheme and artifice to defraud that Defendant TERRY A. ROBBINS, on behalf of OVL, caused the submission of monthly collateral reports to Huntington which provided false information regarding the quality and amount of lumber in its inventory.

(2) It was further a part of the scheme and artifice to defraud that Defendant TERRY A. ROBBINS, on behalf of OVL, would cause the production of false invoices and business records which would be utilized to compile an accounts receivable amount, which would then be submitted as part of the monthly collateral report submitted to Huntington.

(3) It was further a part of the scheme and artifice to defraud that Defendant TERRY A. ROBBINS, on behalf of OVL, would cause the creation of false contracts which suggested that another business entity had either ordered or had purchased lumber. Defendant TERRY A. ROBBINS would thereafter represent to Huntington that these false contracts were legitimate.

(4) It was further a part of the scheme and artifice to defraud that Defendant TERRY A. ROBBINS, on behalf of OVL, would cause the creation of false contracts which suggested that OVL had purchased various quantities of timber from a variety of vendors to contribute to OVL's existing inventory. Defendant TERRY A. ROBBINS would thereafter represent to Huntington that these false contracts were legitimate.

(5) It was further a part of the scheme and artifice to defraud that Defendant TERRY A. ROBBINS, on behalf of OVL, would cause checks to be drafted which purported to pay the fraudulently created contracts, when the checks were actually negotiated for purposes other than satisfying existing contracts.

G. On or about December 1, 2006, the exact date being unknown to the Grand Jury, in the Southern District of Ohio, Defendant TERRY A. ROBBINS knowingly and willfully executed and attempted to execute the aforesaid scheme and artifice to defraud and to obtain money, funds and credits by means of false pretenses, representations and promises, in that Defendant TERRY A. ROBBINS caused the preparation of an OVL false timber purchase agreement, that is, a timber purchase agreement dated December 1, 2006, between NKR, Inc. and a known individual, which agreement purported to represent a transaction between the said known individual and OVL, in the amount of \$375,000.00, for the sale of timber, which agreement was false and fraudulent in that the transaction had not occurred. This false agreement was included in the business records used to compile the collateral report that was then forwarded to Huntington Bank, to maintain the existing line of credit.

In violation of 18 U.S.C. §1344.

## **COUNT 2**

A. Beginning on or about August 12, 2004, and continuing to on or about October 2, 2007, in the Southern District of Ohio and elsewhere, Defendant TERRY A. ROBBINS, devised and intended to devise a scheme and artifice to defraud Pennsylvania Lumbermens Mutual Insurance Company (hereinafter PLMI).

B. On March 2, 2004, a fire destroyed the lumber inventory on hand at OVL, specifically, a warehouse located at 81 Dever Road, Piketon, Ohio.

C. It was part of the scheme and artifice to defraud that Defendant TERRY A. ROBBINS would generate a false inventory report which purported to accurately detail the amount and quality of lumber inside the Dever Road warehouse immediately prior to the facility being destroyed by fire on March 2, 2004.

D. It was further a part of the scheme and artifice to defraud that PLMI, upon receipt of a proof of loss submitted by Defendant TERRY A. ROBBINS, on behalf of OVL, would utilize the

U.S. mail, or a private or commercial interstate carrier, to forward insurance proceeds to OVL, to reimburse OVL for the loss caused by the fire at OVL on March 2, 2004.

E. It was further a part of the scheme and artifice to defraud that upon his receipt of monies from PLMI, Defendant TERRY A. ROBBINS retained the insurance proceeds.

F. On or about August 12, 2004, in the Southern District of Ohio and elsewhere, Defendant TERRY A. ROBBINS, having devised the above-described scheme and artifice to defraud, and for the purpose of executing and in order to effect the scheme and artifice to defraud, did knowingly cause to be forwarded to PLMI, by way of the United Parcel Service, a private interstate carrier, a document purporting to contain an accurate proof of loss amount occasioned by the March 2, 2004 fire at OVL, which document was false because it inflated the value of the property destroyed by the fire, as Defendant TERRY A. ROBBINS, then well knew.

In violation of 18 U.S.C. §1341.

### **COUNT 3**

A. Paragraphs A through E of Count 2 of this Bill of Information are hereby realleged and incorporated herein by reference as if fully set forth herein.

B. On or about October 12, 2007, Defendant TERRY A. ROBBINS knowingly engaged in a monetary transaction involving criminally derived property of a value greater than \$10,000, and which property was derived from a specified unlawful activity, to wit: mail fraud, when Defendant TERRY A. ROBBINS signed check number 1632, in the amount of \$295,682.80, drawn on Chip and Bark account number 25523, maintained at Vinton County Bank, and made payable to OVL.

In violation of 18 U.S.C. §1957

**COUNT 4**  
**FORFEITURE COUNT**

A. The allegations of Counts 1 through 3 are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America pursuant to 18 U.S.C. §981(a)(1)(C), 28 U.S.C. §2461(c) and 18 U.S.C. §982(a)(2).

B. As a result of each of the violations of Counts 1 through 3, Defendant TERRY A. ROBBINS shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to said violations, including but not limited to a sum of money equal to approximately \$99,120 in United States currency, which represents the proceeds derived from the violations as outlined in Counts 1 through 3.


**COUNT 5**  
**FORFEITURE COUNT**

A. The allegations of Counts 1 through 3 of this Bill of Information are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America pursuant to 18 U.S.C. §981(a)(1)(C), 28 U.S.C. §2461(c) and 18 U.S.C. §982(a)(2).

B. As a result of each of the violations of Counts 1 through 3, Defendant TERRY A. ROBBINS shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to said violations, including but not limited to: a 2004 Lamborghini Gallardo; VIN: ZHWGU11M04LA00797, which vehicle represents property derived from the proceeds traceable to the violations as outlined in Counts 1 through 3.

In violation of 18 U.S.C. §981 (a) (1)(C), 28 U.S.C. §2461(c) and 18 U.S.C. §982 (a) (2).

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